

SERIAL 02016 RFP CREDIT CARD PROPERTY TAX PROCESSING SERVICES]

DATE OF LAST REVISION: January 31, 2006 CONTRACT END DATE: June 30, 2007

JUNE 30, 2007

~~JUNE 30, 2005~~

CONTRACT PERIOD MAY 20, 2002 THROUGH ~~JUNE 30, 2003~~

TO: All Departments

FROM: Department of Materials Management

SUBJECT: Contract for **FINANCIAL SERVICES, CREDIT CARD SERVICES [AKA-CREDIT CARD PROPERTY TAX PROCESSING SERVICES]**

Attached to this letter is published an effective purchasing contract for products and/or services to be supplied to Maricopa County activities as awarded by Maricopa County on **MAY 23, 2002**.

All purchases of products and/or services listed on the attached pages of this letter are to be obtained from the vendor holding the contract. Individuals are responsible to the vendor for purchases made outside of contracts. The contract period is indicated above.

Wes Baysinger, Director
Materials Management

SD/mm
Attach

Copy to: Clerk of the Board
Tom Maxson, Treasurer Office
Mirheta Muslic, Materials Management



CONTRACT FOR SERVICES PURSUANT TO RFP

SERIAL 02016-RFP

This Contract is entered into this 20TH day of MAY, 2002 by and between Maricopa County ("County"), a political subdivision of the State of Arizona, and Official Payments Corporation, a Delaware corporation ("Contractor") for the provision of electronic credit card payment services. (The "Services"), pursuant to which individuals ("Taxpayers") may pay by credit card taxes and other obligations as described herein ("Taxes") to the County.

As used herein: (i) "Card" means an unexpired and valid plastic credit, charge or "pin-less" debit card bearing the service mark of VISA®, MasterCard®, American Express®, Discover/Novus®, or other service mark as mutually agreed upon by County and Contractor and issued by a Card issuer to a Cardholder, and (ii) "Cardholder" means the person to whom the Card is issued and who is entitled to use the Card.

1.0 TERM

- 1.1 This Contract is for a term of ONE (1) years, beginning on the 20TH day of MAY, 2002 and ending the 30TH day of JUNE, ~~2003 2005~~ **2007**.
- 1.2 The County may, at its option and with the agreement of the Contractor, extend the period of this Contract for additional one (1) year terms up to a maximum of FOUR (4) additional terms. The County shall notify the Contractor in writing of its intent to extend the Contract period at least thirty (30) calendar days prior to the expiration of the original contract period, or any additional term thereafter.

2.0 PAYMENT

- 2.1 Contractor may charge Taxpayers a "Convenience Fee" for each Card transaction processed, which it shall collect in addition to the corresponding Tax payment ("Tax Payment") as part of a unified Card transaction. The Convenience Fees charged shall be as set forth in Exhibit "A" hereto, as such fees may be changed from time to time in the sole discretion of Contractor upon thirty (30) days' notice to County. With respect to all "reversed" and "chargeback" Card transactions that are substantiated by a Cardholder and approved by an authorized representative of Contractor and County: (i) County authorizes Contractor (or the respective Card organization) to debit the bank depository account designated by County for the deposit of funds from Card transactions (the "Settlement Account") for the amount of the corresponding Tax Payment and (ii) Contractor shall refund to the Card organization (for credit back to the Cardholder) the corresponding Convenience Fees. County agrees that it shall not refund in cash to a Taxpayer any Tax Payment made using the Services.
- 2.2 Payment under this Contract shall be made in the manner provided by law. Invoices shall be prepared and submitted in accordance with the instructions provided on the purchase order. Invoices shall contain the following information: purchase order number, item numbers, description of supplies and/or services, sizes quantities, unit prices, and extended totals and applicable sales/use tax. The County is not subject to excise tax.

3.0 DUTIES

- 3.1 With respect to the Services, the Contractor shall perform all duties stated in the "Agreed Scope of Work of Contractor", attached hereto and incorporated herein as Exhibit "B."
- 3.2 Contractor shall perform services at the location(s) and time(s) stated in Exhibit "B," or in the purchase order requesting such services.
- 3.3 County shall perform the duties stated in Exhibit "C", attached hereto and incorporated herein by reference.

4.0 TERMS & CONDITIONS

4.1 INDEMNIFICATION AND INSURANCE:

4.1.1 Indemnification.

To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the County, its agents, representatives, officers, directors, officials, and employees from and against all claims, damages, losses and expenses (collectively, "Damages"), including but not limited to attorney fees and costs, arising out of (i) Contractor's willful misconduct or gross negligence in performing the services or (ii) Contractor's material breach of its obligations in Section 2.1 hereof or subsection (B) of Exhibit B

The foregoing indemnity shall not apply to Damages arising out of an action or failure to act by Contractor which results from the instructions, actions or requests of County.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

4.1.2 Insurance Requirements.

Contractor, at its own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. Rating of B++6, or approved unlicensed companies in the State of Arizona with policies and forms satisfactory to the County.

All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of the County, constitute a material breach of this Contract.

The Contractor's insurance shall be primary insurance as respects the County, and any insurance or self-insurance maintained by the County shall not contribute to it.

Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect coverage afforded under the insurance policies to protect the County.

The Contractor shall be solely responsible for the deductible and/or self-insured retention. The County reserves the right to request and to receive, within ten (10) working days, evidence of any or all of the herein required insurance coverage's and/or endorsements (as described in Section 4.1.3.2 herein). The County shall not be obligated, however, to review such policies and/or endorsements or to advise Contractor of any deficiencies in such policies and endorsements, and such receipt shall not relieve Contractor from, or be deemed a waiver of the County's right to insist on strict fulfillment of Contractor's obligations under this Contract.

The insurance policy listed in Section 4.1.2.1 shall name the County, its agents, representatives, officers, directors, officials and employees as Additional Insured.

4.1.2.1 Commercial General Liability. Contractor shall maintain Commercial General Liability insurance with a limit of not less than \$1,000,000 for each occurrence with a \$2,000,000 Products/Completed Operations Aggregate and a \$2,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Contract which coverage will be at least as broad as Insurance Service Office, Inc. Policy Form CG 00 01 10 93 or any replacements thereof.

The Commercial General Liability additional insured endorsement shall be at least as broad as the Insurance Service Office, Inc.'s Additional Insured, Form CG 20 10 11 85, and shall include coverage for Contractor's operations and products and completed operations.

4.1.2.2 Automobile Liability. Contractor shall maintain Automobile Liability insurance with an individual single limit for bodily injury and property damage of no less than \$1,000,000, each occurrence, with respect to Contractor's vehicles (whether owned, hired, non-owned), assigned to or used in the performance of this Contract.

4.1.2.3 Workers' Compensation. The Contractor shall carry Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance of the work or services, as well as Employer's Liability insurance of not less than \$1,000,000 for each accident, \$1,000,000 disease for each employee, and \$1,000,000 disease policy limit.

If any work is subcontracted, the Contractor will require Subcontractor to provide Workers' Compensation and Employer's Liability insurance to at least the same extent as required of the Contractor.

4.1.3 Certificates of Insurance.

4.1.3.1 Prior to commencing work or services under this Contract, Contractor shall furnish the County with certificates of insurance, or formal endorsements as required by the Contract in the form provided by the County, issued by Contractor's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Contract are in full force and effect.

4.1.3.2 Prior to commencing work or services under this Contract, Contractor shall have insurance in effect as required by the Contract.

If a policy does expire during the life of the Contract, a renewal certificate must be sent to the County fifteen (15) days prior to the expiration date.

4.1.4 Cancellation and Expiration Notice.

Insurance required herein shall not be permitted to expire, be canceled, or materially changed without thirty (30) days prior written notice to the County.

OPC carries a Financial Institution Bond Insurance Policy.

4.2 NOTICES:

All notices given pursuant to the terms of this Contract shall be addressed to:

For County:

Maricopa County
Department of Materials Management
Attn: Director of Purchasing
320 West Lincoln Street
Phoenix, Arizona

For Contractor:

Official Payments Corporation
Three Landmark Square
Stamford, Connecticut 06901
Attention: General Counsel

4.3 TERMINATION:

Either party may unconditionally terminate this Contract for convenience by providing sixty (60) calendar days advance notice to the other party.

Either party may terminate this Contract if the other party fails to perform or observe any other material term or condition of the Contract, and such failure continues for more than ten (10) days after receipt of written notice of such failure from the terminating party, or in the case of termination by the County, if Contractor becomes insolvent or generally fails to pay its debts as they mature.

Contractor may terminate this Agreement at any time upon written notice to County in the event the provision of the Services hereunder shall be determined by Contractor in its sole discretion to violate any statute, regulation, rule, order or operating procedure enacted or promulgated by a governmental or judicial authority of competent jurisdiction or any Card organization or any statute, regulation, rule, order or operating procedures is enacted or promulgated which effectively reduces or eliminates the fees to be charged by Contractor as provided under this Agreement.

4.4 STATUTORY RIGHT OF CANCELLATION FOR CONFLICT OF INTEREST:

Notice is given that pursuant to A.R.S. § 38-511 the County may cancel this Contract without penalty or further obligation within three years after execution of the contract, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County is at any time while the Contract or any extension of the Contract is in effect, an employee or agent of any other party to the Contract in any capacity or consultant to any other party of the Contract with respect to the subject matter of the Contract. Additionally, pursuant to A.R.S § 38-511 the County may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County from any other party to the contract arising as the result of the Contract.

4.5 OFFSET FOR DAMAGES:

In addition to all other remedies at law or equity, the County may offset from any money due to the Contractor by County any amounts Contractor owes to the County for damages resulting from breach or deficiencies in performance under this contract.

4.6 ADDITIONS/DELETIONS OF SERVICE:

The County reserves the right to add and/or delete services to be provided under this Contract. If additional services are required from this Contract, prices for such additions will be negotiated between the Contractor and the County.

4.7 SUBCONTRACTING:

The Contractor may not assign this Contract or subcontract to another party for performance of the terms and conditions hereof without the written consent of the County, which shall not be unreasonably withheld; provided, however, that such consent shall not be required with respect to use of Card payment processors hereunder. All correspondence authorizing subcontracting must reference the Bid Serial Number and identify the job project.

4.8 AMENDMENTS:

All amendments to this Contract must be in writing and signed by both parties.

4.9 RETENTION OF RECORDS:

The Contractor agrees to retain all financial books, records, and other documents relating exclusively to this Contract for five (5) years after final payment or until after the resolution of any audit questions which could be more than five (5) years, whichever is longer. The County, Federal or State auditors and any other persons duly authorized by the Department shall have full access to, and the right to examine, copy and make use of, any and all said materials.

If the Contractor's books, records and other documents relevant to this Contract are not sufficient to support and document that requested services were provided, the Contractor shall reimburse Maricopa County for the services not so adequately supported and documented.

4.10 AUDIT DISALLOWANCES:

If at any time County determines that a cost for which payment has been made is a disallowed cost, such as overpayment, County shall notify the Contractor in writing of the disallowance. County shall also state the means of correction, which may be but shall not be limited to adjustment of any future claim submitted by the Contractor by the amount of the disallowance, or to require repayment of the disallowed amount by the Contractor.

4.11 VALIDITY:

The invalidity, in whole or in part, of any provision of the Contract shall not void or affect the validity of any other provision of this Contract.

4.12 INTELLECTUAL PROPERTY:

In order that County may promote the Services, Contractor hereby grants to County a revocable, non-exclusive, royalty-free license to use the Contractor's logo and other service marks of Contractor (the "Licensed Marks"). Except as contemplated by the preceding sentence, County shall not have any other right, title, license or interest, express or implied, in and to any object code, software, hardware, trademark, service mark, trade name, trade dress, formula, know-how, system, telephone number, telephone line, domain name, URL, copyrighted image, text, script (including, without limitation, any script underlying the payment process used by Contractor on its automated interactive voice response system ("IVR") or the Contractor's website) or other intellectual property right. County acknowledges that the Licensed Marks and the Contractor's system and all rights therein (with the exception of those rights expressly granted to the County hereunder) and the goodwill pertaining thereto belong exclusively to Contractor. County's use of the Licensed Marks shall inure to the benefit of Contractor for the purpose of service mark ownership, registration, enforcement and maintenance. Without limiting the generality of the foregoing, County agrees that (i) it shall not contest the fact that its rights to use the Licensed Marks are solely those of a licensee to use such marks in connection with the services to be provided to Taxpayers hereunder while this Agreement remains in effect; and (ii) upon termination of this Agreement for any reason: (A) all rights and licenses granted under this Section 4.12 shall revert and be fully vested in Contractor, and (B) County shall cease immediately using the Licensed Marks.

4.13 INTEGRATION

This Contract represents the entire and integrated agreement between the parties and supersedes all prior negotiations, proposals, bids, communications, understandings, representations, or agreements, whether oral or written, express or implied.

4.14 CONFIDENTIALITY

County acknowledges that, in connection with the transactions contemplated hereby, Contractor may disclose to it or its respective employees, affiliates or representatives certain confidential, proprietary and non-public technical, business, intellectual property financial, operating and/or other information about Contractor ("Contractor Confidential Information"). Contractor acknowledges that, in connection with its performance of services pursuant to this Agreement, Contractor may receive confidential Taxpayer information ("County Confidential Information" and, together with the Contractor Confidential Information, "Confidential Information"). Confidential Information shall not include information that a party can demonstrate (i) is or becomes publicly disclosed or available with no breach of this Agreement by or on behalf of such party; (ii) was previously in that party's possession (in written or other recorded form) with no obligation to maintain confidentiality; (iii) was received by such party (in written or other recorded form) from another source without any restriction on use or disclosure; or (iv) is independently developed by that party without the use of any information that would itself be independently deemed Confidential Information. Each party agrees not to use or disclose to any third party Confidential Information, except as contemplated by this Agreement or with the prior written consent of the other party. Each party agrees to use that degree of care to protect the misuse, loss or unauthorized or inadvertent disclosure of Confidential Information as it uses to protect its own confidential and proprietary information, but in no event less than due care. Upon the expiration or termination of this Agreement, County shall promptly return to Contractor or destroy all materials containing Contractor Confidential Information.

Notwithstanding anything in the preceding paragraph to the contrary, the parties expressly acknowledge and agree that Contractor may use (i) County Confidential Information for collection and other purposes as would be permitted for federal tax information under §6311-2T of 26 CFR Part 301; (ii) personal information provided by Taxpayers in connection with establishing and maintaining individual user accounts requested to be established by such Taxpayers with Contractor; and (iii) aggregated Tax Payment transaction data and IVR and Contractor's website traffic information for marketing and public company reporting purposes.

Each party agrees to give the other party immediate notice of any unauthorized use or disclosure of the other party's Confidential Information and to assist in remedying any such unauthorized use or disclosure. In the event that a party or its representatives are requested or required (including, without limitation, by subpoena, civil investigative demand or otherwise) to disclose any Confidential Information, each party agrees to (i) notify promptly the disclosing party of the existence, terms and circumstances surrounding such a request, (ii) to consult with the disclosing party on the advisability of taking legally available steps to resist or narrow such a request, and (iii) if disclosure of such information is required, to furnish only that portion of the Confidential Information which, in the opinion of the receiving party's counsel, it is legally required to disclose and to cooperate with any action by the disclosing party to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded the Confidential Information.

4.15 FORCE MAJEURE

Contractor shall not be considered in breach of or in default of any of its obligations under this Agreement, and shall in no way be liable to County hereunder, to the extent its performance hereunder is delayed, impaired or rendered impossible by acts of God, natural disasters, war, riots, acts of a governmental entity (in a sovereign or contractual capacity), fire, storms, quarantine restrictions, floods, explosions, labor strikes, labor walkouts, extraordinary losses of utilities (including telecommunications services), external computer "hacker" attacks, delays of common carriers or similar cause that are beyond Contractor's reasonable control and without its fault or negligence.

4.16 LIMITATION OF LIABILITY, SERVICE AGREEMENT

Notwithstanding the foregoing, the parties agree that neither party shall be liable to the other for any lost profits, lost savings or other special, indirect or consequential damages, even if the party has been advised of or could have foreseen the possibility of such damages.

The parties acknowledge that this Agreement is a service agreement. Contractor disclaims all other representations or warranties, express or implied, made to County or any other person, including without limitation, any warranties regarding quality, suitability, merchantability, fitness for a particular purpose or otherwise of any services or any goods provided incidental to the services provided under this Agreement.

IN WITNESS WHEREOF, this Contract is executed on the date set forth above.

CONTRACTOR

AUTHORIZED SIGNATURE

PRINTED NAME AND TITLE

ADDRESS

DATE

MARICOPA COUNTY

BY: _____
DIRECTOR, MATERIALS MANAGEMENT

DATE

BY: _____
CHAIRMAN, BOARD OF SUPERVISORS

DATE

ATTESTED:

CLERK OF THE BOARD

DATE

APPROVED AS TO FORM:

MARICOPA COUNTY ATTORNEY

DATE

EXHIBIT A

**CONVENIENCE FEE SCHEDULE
TAX PAYMENTS ONLY**

I - Schedule of Convenience Fees to be Paid by Citizens

Payment Amount		Fees
From	To	
\$0.00	\$99.99	\$3.00
\$100.00	\$199.99	\$6.00
\$200.00	\$399.99	\$11.00
\$400.00	\$599.99	\$16.00
\$600.00	\$999.99	\$25.00
\$1,000.00	\$1,399.99	\$35.00
\$1,400.00	\$1,999.99	\$49.00
\$2,000.00	\$2,699.99	\$68.00
\$2,700.00	\$3,499.99	\$87.00
\$3,500.00	\$4,399.99	\$109.00
\$4,400.00	\$5,399.99	\$133.00
\$5,400.00	\$6,399.99	\$159.00
\$6,400.00	\$7,399.99	\$187.00
\$7,400.00	\$8,699.99	\$218.00
\$8,700.00	\$10,399.99	\$262.00
\$10,400.00	\$12,999.99	\$329.00
\$13,000.00	\$17,399.99	\$437.00
\$17,400.00	\$20,999.99	\$525.00
\$21,000.00	\$27,999.99	\$699.00
\$28,000.00	\$35,999.99	\$899.00
\$36,000.00	\$44,999.99	\$1,125.00
\$45,000.00	\$54,999.99	\$1,375.00
\$55,000.00	\$65,999.99	\$1,649.00
\$66,000.00	\$76,999.99	\$1,925.00
\$77,000.00	\$87,999.99	\$2,199.00
\$88,000.00	\$99,999.99	\$2,499.00

II – Other Fees Payable by Agency

None

EXHIBIT B

OBLIGATIONS OF CONTRACTOR

Contractor shall perform the following services:

- (a) On behalf of County, collect and process Tax Payments from Taxpayers using Cards, through IVR and the Contractor's website, beginning on a date to be mutually agreed upon by the parties;
- (b) Forward County's Card transactions to the appropriate Card organizations for settlement and use Commercially reasonable efforts to cause such Card organizations to settle all Tax Payments from Card transactions to the Settlement Account in accordance with the requisite procedures set forth in the respective Card organization's rules, regulations and operating procedures and within the time periods indicated below:
 - (i) American Express Card funds to be deposited no later than 72 hours after the date of authorization of the transaction;
 - (ii) Discover/Novus funds to be deposited no later than 72 hours after the date of authorization of the transaction;
 - (iii) MasterCard funds to be deposited no later than 48 hours after the date of authorization of the transaction; and
 - (iv) VISA funds to be deposited no later than 48 hours after the date of authorization of the transaction;
- (c) Notify each Taxpayer of the dollar amount of all payments (including with respect to the Convenience Fee) to be charged to his/her Card and obtain the Taxpayer's approval (electronic or otherwise) of such charges prior to initiating credit authorizations;
- (d) Provide Taxpayers with confirmation of payment transactions electronically through either IVR or the Contractor's website, as the case may be;
- (e) Utilize the payment processing services of Paymentech LLC in connection with processing Tax Payments; provided, however, that the foregoing shall not prohibit Contractor from utilizing the payment processing services of another vendor in the event there is an interruption or disruption in the provision of such services from Paymentech to Contractor;
- (f) For authorization purposes, electronically transmit all Card transactions to the appropriate Card processing center, in real time, as the transactions occur;
- (g) Arrange for a unique line merchant descriptor for Tax Payments that references the name of County and arrange for a separate unique line merchant descriptor for the Convenience Fee that references Contractor and the nature of the fee;
- (h) Retain credit card authorization logs and transaction records for such period of time as required by applicable law and the rules, regulations and operating procedures of the respective Card organizations, which records shall contain the following: transaction type, date and time of transaction, Card account number and expiration date, dollar amount of transaction and approval code;
- (i) Provide County with logos, graphics, and other appropriate marketing materials for County's use in Taxpayer communications; and
- (j) Provide County with periodic reports (in a mutually agreed upon format) summarizing use of the Services.

EXHIBIT C

OBLIGATIONS OF COUNTY

County shall:

- (k) Enter into all applicable merchant Card agreements, if required by the Card organizations, and fully adhere to the rules, regulations and operating procedures of the various Card organizations, including without limitation, with respect to the use of specific Card logos and marks;
- (l) Provide Contractor with the electronic record specifications necessary for funds settlement and the posting of Tax data related to the Card payments;
- (m) Provide desired reporting formats to Contractor sufficiently in advance of the desired report deliver date;
- (n) Not require, as a condition to making a Tax Payment, a Cardholder to agree in any way to waive such person's rights to dispute the transaction with the Card issuer for legitimate reasons;
- (o) Other than permitting Contractor to charge the Convenience Fees in accordance with this Agreement, not impose any surcharge or other penalty on Card transactions made by Taxpayer for Tax Payments;
- (p) Pay to Contractor (within five business days of receiving an invoice) all amounts owed to Contractor under this Agreement for which there are insufficient funds in the Settlement Account at the time Contractor is owed payment;
- (q) Establish a reasonable adjustment policy to accommodate adjustments that are required in the normal course of County's daily operation; and
- (r) Promote the use by Taxpayers of the Contractor Services including, but not limited to, publishing the relevant IVR telephone number and URL for the Contractor's website on all tax instruction booklets, citations and notices, as the case may be, and all related promotional materials. All published materials containing the Licensed Marks (as hereinafter in the Agreement) shall be approved by Contractor prior to publishing and all published materials referencing Contractor or the Contractor Services shall be approved for accuracy by Contractor prior to publishing.

AMENDMENT #1
To
Contract for Services Pursuant to RFP

This is Amendment No. 1 (the "Amendment") to that certain Contract for Services Pursuant to RFP Serial 02016-RFP (the "Agreement") by and between Maricopa County ("Agency") and Official Payments Corporation ("OPC") dated May 20th, 2002.

The parties hereby agree as follows:

1. As of the execution of this Amendment by both parties hereto, Exhibit B-1, which is incorporated as though fully set forth herein, shall be included in the Agreement and governed by the terms thereof.

Unless otherwise modified herein, all other terms and conditions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth below.

OFFICIAL PAYMENTS CORPORATION:

By: _____

Print Name: _____

Title: _____

Date: _____

Michael A. Lander

Michael A. Lander

Senior Vice President

1/30/2006

AGENCY:

By: _____

Print Name: _____

Title: _____

Date: _____

Wesley L. Baysinger

Wesley L. Baysinger

Dir. Nat. Acct.

1/31/06

EXHIBIT B1 ("SOW")
For
Electronic Check Settlement Services
Pursuant To
Contract for Services Pursuant to RFP Serial 02016-RFP ("Agreement")
By and Between
Maricopa County ("Agency")
And
Official Payments Corporation ("OPC")

OPC offers electronic check payment and processing transaction services through an Internet interface. Agency collects deposits and payments from Bidders who are individual and/or entity investors bidding in a tax certificate auction. Agency desires to permit payment of amounts owed to it by means of electronic transactions through the OPC System and to have OPC perform certain related services as described below. In connection with the Services, Grant Street Group (GSG) shall separately provide a website for bidding with an STP connection to OPC. Definitions included in this SOW pertain solely to this SOW; and with respect to the Services under this SOW, in the event of a conflict between the terms of Agreement and the term so this SOW, the terms of this SOW shall prevail.

THE PARTIES ACKNOWLEDGE AND AGREE THAT, NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE AGREEMENT, THE COST OF THE SERVICES DESCRIBED UNDER THIS EXHIBIT B-1 SHALL BE PAID TO OPC BY GSG UNDER A SEPARATE CONTRACT BETWEEN OPC AND GSG, AND THEREFORE IS NOT AN OBLIGATION OF AGENCY.

STATEMENT OF WORK

1. DEFINITIONS.

"*Agency Designated Account*" means the direct deposit/debit account(s) established and maintained by Agency at an ACH receiving depository institution reasonably acceptable to OPC for receipt of Agency Payments and debit of Chargebacks. Agency Designated Account is further described in Section 4.

"*Agency Payment*" means any payment that is owed by Bidder to Agency and paid through a Payment Transaction.

"*Bidder*" means the person, business or entity who initiates and makes payment of the Agency Payment through a Payment Transaction.

"*Chargeback*" means the reversal of a Payment Transaction previously credited to an Agency Designated Account.

"*OPC System*" means OPC's and its Suppliers' electronic payment processing system including but not limited to its technology, hardware, software and equipment.

"*Payment Transaction*" means an electronic payment transaction initiated by a Bidder at the OPC or Grant website, as applicable, and processed by OPC and its Suppliers under this SOW.

"*Refund Transaction*" means an electronic payment transaction initiated by the Agency to refund amounts owed to non-winning bidders and processed by OPC and its Suppliers under this Agreement.

"*Return Transaction(s)*" means a Payment Transaction that is unable to be processed by Bidder's depository financial institution.

"*Services*" means the services provided by OPC and its Suppliers pursuant to this SOW inclusive of payment and electronic funds transfer which enable Payment Transactions to be processed.

"*Simple Transaction Processor*" (STP) means an electronic transaction and return confirmation containing payment and identification data, initiated and received by the Bidder on the GSG website, without a link or transfer to an OPC web page.

"*Suppliers*" means OPC authorized vendors including, but not limited to, ACH processor(s).

2. PROVISION OF SERVICES. As part of the Services, OPC shall:

- 2.1 Provide Bidders with the opportunity to make Agency Payments by electronic check through an Internet interface.
- 2.2 Provide real time processing of electronic check transactions, validate the bank transit routing number, validate the ACH eligibility of the bank transit routing, determine that the dollar amount is below or equal to the maximum and above or equal to the minimum specified by the Agency, validate checking account number for structure and validity and check against a negative file in an established proprietary database.
- 2.3 Create a transaction file and forward Payment Transactions to the Automated Clearing House (ACH), electronically debiting the Bidder's bank account and crediting the Agency Designated Account.
- 2.4 Settle into the Agency's Designated Account within 72 hours after completion of the Payment Transaction. Settlement of funds under the 72 hour settlement method will include all authorized Payment Transactions. Any Return Transactions will be subsequently debited directly from the Agency Designated Account.
- 2.5 Confirm the dollar amount of each Agency Payment made by Bidders to be electronically debited from the Bidder's designated demand deposit account, and obtain the Bidder's electronic authorization of such transaction prior to initiating the transaction.
- 2.6 Arrange for a unique check descriptor for the Agency Payment that references the name of the Agency. This description is used to identify payment transactions on the Bidder's bank statement.
- 2.7 Provide Agency with a daily report detailing Payment Transactions and Chargeback transactions, and the total of refund requests from the previous day.

3. AGENCY OBLIGATIONS. Agency shall comply with the following obligations:

- 3.1 STP Transactions. Agency understands that STP transactions take place on the GSG website without link to the OPC web page.
- 3.2 With respect to all Chargebacks the Agency must allow direct debiting of the Agency's Designated Account for the amount of Agency Payments previously settled into the Agency Designated Account.
- 3.3 With respect to refunds to non-winning bidders, the Agency will transfer a lump sum total of all such refund requests to OPC via wire transfer or ACH.
- 3.4 Agency will obtain OPC's consent prior to publishing any materials that reference the Services or OPC.
- 3.5 Agency shall be solely responsible, at their own expense, for acquiring, installing and maintaining all of its own equipment, software and data communication service that is not a part of the OPC System.
- 3.6 Agency shall execute and deliver to OPC an ACH authorization agreement in the format provided by OPC to authorize electronic payments/debits to and/or from the Agency Designated Account, and any other certificates, instruments or documents as required by applicable laws and regulations in order to consummate the transactions intended under this SOW.

4. AGENCY DESIGNATED ACCOUNT

Agency will establish an Agency Designated Account prior to any Payment Transaction and shall maintain such account during the term of this SOW and for at least 90 days after expiration or termination for any reason. GSG shall be liable for any and all fees, charges and other costs associated with this tax certificate auction, as set forth in the introduction to this Exhibit. Agency will not be liable for any fees, charges or costs associated with this auction. Agency agrees to maintain sufficient funds in the Agency Designated Account to satisfy all fees, charges and other obligations of Agency under this SOW. OPC (or its Suppliers) may debit from the Agency Designated Account, any amounts owed by Agency under this SOW, including, but not limited to, chargebacks, deposit charges, refunds, ACH debits that overdraw the Agency Designated Account and any other liabilities incurred under this SOW by Agency. Any charges or other liabilities owed by Agency and not paid when due shall bear interest of 1.5% per month until paid. Agency authorizes OPC, its assignee or its Suppliers to debit via ACH transfer, the Designated Account for any such amounts Agency owes OPC under this SOW. If the amount in the Agency Designated Account does not contain sufficient funds to cover fees and obligations of Agency, Agency agrees to pay OPC the amount it owes under this SOW upon demand, together with all costs and expenses

incurred to collect that amount, including reasonable attorneys' fees. The authority granted by this Section shall survive the termination of this SOW.

5. SUSPENSION; RESTRICTIONS. OPC may immediately suspend the Services or withhold Services or individual financial settlements in the event (i) OPC has reason to believe there has been or may be a breach of security, fraud, or misrepresentation in connection with the Services, (ii) continued provision of the Services would violate any applicable law, government regulation or the NACHA rules and regulations. OPC will provide notice and opportunity to cure if practical, depending on the nature of the event causing the suspension. OPC shall have no liability for any suspension in accordance with the terms of this Section 5.

6. TERM AND TERMINATION

6.1 Term: The term of this SOW shall commence as of the date of final execution of Amendment No. 1 to the Agreement by both parties, and shall continue co-terminus with the Agreement unless otherwise terminated earlier in accordance with the Agreement.

6.2 Termination By OPC. With respect solely to this SOW, OPC may terminate this SOW at any time upon written notice to the Agency in the event the provision of the Services hereunder is determined by Official Payments in its sole discretion to violate any statute, regulation, rule, order or operating procedure enacted or promulgated by a governmental or judicial authority of competent jurisdiction, NACHA (or any similar industry organization with authority over the Services), or in the event that any statute, regulation, rule, order or operating procedure is enacted or promulgated which effectively reduces or eliminates the fees charged by OPC. Due to the necessity of having the web auction services for continuation of this SOW and the payment of OPC fees by GSG for the Services, OPC may terminate this SOW on a co-terminus basis in the event that the agreement between GSG and OPC terminates for any reason including, but not limited to, the failure of GSG to timely pay any payments due to OPC for Services rendered.

7. ACCOUNT MONITORING; SECURITY. OPC and its Suppliers may monitor the use of Services or Payment Transaction activity and investigate unusual or suspicious activity to the extent it is with reasonable discretion and in compliance with applicable laws and government regulations, provided, that in no event does OPC assume any responsibility to discover any possible breach of Agency's or GSG's security or misuse of the Services. Agency and OPC shall immediately notify the other if either discovers any breach of security.

8. RESERVED.

9. COMPLIANCE WITH LAWS, RULES AND REGULATIONS.

The parties shall comply with all applicable laws, rules and regulations of federal, state and local governmental authorities and governing industry associations, including without limitation, Federal Reserve Regulation E (12 C.F.R. Part 205), the rules of the NACHA, and all applicable privacy laws and regulations, all of which are incorporated herein by reference and made a part of this SOW as if set forth in full herein. OPC may from time to time establish reasonable rules, regulations and operational guidelines with respect to use of the Services by Agency, and Agency agrees to be bound by and comply with such rules, regulations and guidelines thirty (30) days after delivery thereof to Agency, unless immediate compliance is required by law or regulation or otherwise agreed upon in writing by the parties.

10. WARRANTY AND DISCLAIMER.

10.1 Warranty. Each party represents and warrants that it has the full legal right, authority and power to enter into this SOW and perform its obligations hereunder and that the person who signs the Agreement and this SOW for each party has full authorization to bind the respective party. Agency shall provide to OPC the standard set up form ("Agency Set Up Form") within five (5) days of full execution of this SOW. Agency represents and warrants to OPC that all information provided in such form is current, correct and complete. Agency agrees to notify OPC in writing of any changes to such Agency information within ten (10) days of such change.

10.2 Disclaimer. OPC and its Suppliers are providers of the Services, not insurers, and as such, Agency acknowledges that data processing involves the inherent risk of human and machine errors, omissions, delays and losses including inadvertent loss or misstatement of data. OPC and its Suppliers do not, and cannot, control the flow of data to or from the OPC System, which depends in large part on the Internet and third parties, including without limitation connectivity/access providers. Accordingly, neither OPC nor its Suppliers warrant that the Services will be error free, uninterrupted, secure or virus free, and OPC and its Suppliers disclaim liability resulting from or related to such events. Except as expressly provided for herein, the Services are provided "AS IS" and "AS AVAILABLE", and OPC and its Suppliers make no other representations or warranties of any kind whatsoever, whether express or implied, by operation

of law or otherwise, including, without limitation, any implied or statutory warranties of merchantability or fitness for particular purpose.

11. STATUS OF THE PARTIES; SUPPLIERS.

The parties are independent contractors, and nothing herein shall be construed to create a partnership, joint venture, franchise, employer-employee relationship by or between Agency and OPC. No party shall have the authority to commit or bind any other party without such party's prior written consent. Agency acknowledges and agrees that certain portions of the Services which enable Payment Transactions may be provided by OPC Suppliers, including, but not limited to, processing and formatting of Payment Transactions and the debiting and crediting of the Agency Designated Account in accordance with the terms of this SOW.

12. INDEMNIFICATION.

With respect to the Services provided under this Exhibit B-1 only, Agency shall indemnify, defend and hold harmless OPC and OPC's Suppliers, their officers, directors, shareholders, subsidiaries, affiliates, consultants, agents, investors, lenders and employees (collectively, the "Indemnitees") from and against any and all losses, claims, damages, liabilities, deficiencies, expenses and/or costs (including, but not limited to, reasonable attorneys' fees and costs) incurred by, or asserted against, Indemnitees in connection with any payments returned to the originators that are processed by OPC Suppliers in connection with transactions under this Agreement. The Agency shall control the defense and/or settlement discussions of any claim that could result in damages against Indemnitees, provided that the Agency will not, without the applicable Indemnitee's prior written consent agree to the entry of any judgment or enter into any settlement which does not include a full release of Indemnitees from all liability in respect to such claim or settlement. All parties agree that standard NACHA rules shall apply to this indemnification.

OFFICIAL PAYMENTS CORPORATION, ONE LANDMARK SQUARE #400, STAMFORD, CT 06901
, FOUR THREE LANDMARK SQUARE #202, STAMFORD, CT 06901

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Terms:	NET 30
Vendor Number:	W000000769 X
Telephone Number:	203/969-0310
Fax Number:	203/969-0303
E-mail Address:	info@officialpayments.com
Company Web Site:	www.officialpayments.com
Insurance Certificate	Required
Contact Person:	Frank Pollock
Contract Period:	To cover the period ending June 30, 2003 2005 2007.